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"The Pager Professionals"
FCC Docket 96-98

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Kanoy Communications

- TWO-WAY RADIOS
- REPEATER SERVICE
- CELLULAR PHONES
- PAGERS

October 23, 1997

Mr. William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street, N.W.
Washington, D.C. 20054

Re: Ex parte, CC Docket No. 96-98, Implementation of the Local
Competition Provisions of the Telecommunications Act of 1996

Dear Sir:

Today, Linda Kanoy and I spoke with Deputy Chief Kent R. Nilsson, Gregory M. Cooke and Renne Alaxander staff attorneys with the Common Carrier Bureau's Network Services Division about the following issues concerning the FCC Docket 96-98 implementation of the local competition provisions of the Telecommunications Act of 1996.

Kanoy Communications is a small Private Carrier Paging (PCP) operation based in Brunswick County, North Carolina serving approximately 4000 paging subscribers. Since entering the Paging market in 1988, we have been paying what we believe to be excessively high & unrealistic prices for our Direct Inward Dial (DID) numbers we obtain from our local exchange carrier Atlantic Telephone Membership Corporation. Atlantic Telephone charges us \$1.00 per DID number per month, the other telephone companies in our LATA and adjoining LATAs, Southern Bell, Sprint, GTE & Horry County Co-op charge approximately \$0.50 per 100 DID numbers per month, or 1/2 of 1 cent per number per month. As you can see Atlantic Telephone's charges represent a substantial disparity from equal service provided from neighboring Local Exchange Carriers, (LEC'S). All the other rates for residential and commercial service Atlantic Telephone charges are in line or below that charged by the neighboring LEC's.

Attempts to negotiate a reduced rate from Atlantic Telephone have been rejected on two separate occasions.

Attempts to seek relief from the North Carolina Public Utilities Commission have proved unfruitful. The North Carolina PUC states they have no jurisdiction over Atlantic Telephone because Atlantic Telephone is a Co-op.

Section 96-333 of the 1996 Telecommunications Act specifically addresses what LEC'S may charge for NXX & DID numbers.

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Every LEC in our neighboring area has voluntarily complied with this order and have ceased monthly recurring charges for DID numbers, except Atlantic Telephone. We have attempted, but failed, to convince Atlantic Telephone to comply with section 96-333. Please see copies of correspondence with Atlantic Telephone attached.

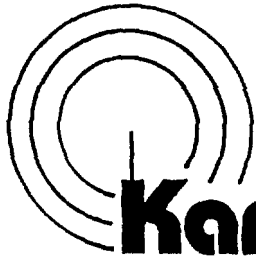
Kanoy Communications and Atlantic Telephone are the only two companies that offer local number paging service in Brunswick County. Atlantic Telephone was operating their system two years before we entered this market in 1988. We have, and pay dearly for, approximately 1700 local DID numbers from Atlantic Telephone. The balance of our subscribers have numbers from neighboring LEC'S. No other company or agency has over a hundred DID numbers from Atlantic Telephone except Kanoy Communications.

In conclusion, we believe Atlantic Telephone has purposely postured their pricing for DID numbers to prohibit competition. Their failure to comply is in direct violation of the 1996 Telecommunications Act. We are asking the FCC to investigate this matter and require Atlantic Telephone adjust DID pricing and refund overcharges since the order came into effect in August 1996.

Sincerely;

David B. Kanoy, III

cc: Kent R. Nilsson
Gregory M. Cooke
Renee Alaxander



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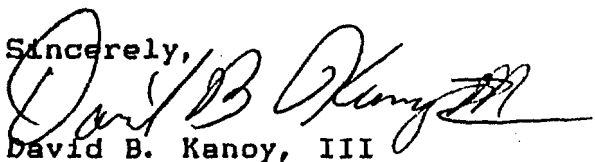
April 1, 1994

Mr. Russell D. Price
Atlantic Telephone Membership Corporation
Post Office Box 3198
Shallotte, North Carolina 28459

Dear Mr. Price:

Thank you for the opportunity of meeting with you today.
As a result of our conversation; I would like to meet with
Atlantic Telephone's Board of Directors at its May meeting on
May 31. If there is any problem with this arrangement; please
notify me.

Sincerely,



David B. Kanoy, III



**ATLANTIC
TELEPHONE**
MEMBERSHIP CORP.

Serving Beautiful Bountiful Brunswick County

P.O. Box 3198, Shallotte, N.C. 28459 - Hwy. 130 West - 919-754-4311

July 29, 1994

Mr. David B. Kanoy, III
Kanoy Communications
6895 Beach Drive SW
Ocean Isle Beach, North Carolina 28469

Dear Mr. Kanoy:

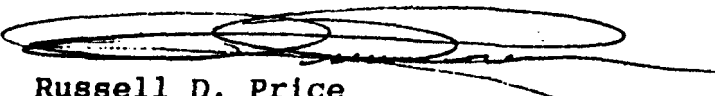
After extensive review and evaluation, Atlantic Telephone's Board of Directors has reached a determination regarding your request to consider reducing monthly charges for blocks of telephone numbers. Rates will not be modified at this time.

As you know, Atlantic Telephone's recurring and non-recurring rates have been stable for many years in contrast to large local exchange carriers primarily oriented to serving urban highly dense areas. It is probable that we will perform a general tariff review in late 1995 and this issue will likely receive further attention at that time.

We are nearing completion of our efforts to deploy new technology which will provide us the capability to measure local exchange usage similar to the process presently used to measure long distance service. This could provide an option to convert to a usage based uniform switched access charge instead of the present block of numbers fixed rate monthly charge.

We will keep you apprised of further developments on this matter.

Cooperatively,



Russell D. Price
General Manager

RDP/rah



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- PAGERS

July 15, 1997

Mr. Russell Price
Atlantic Telephone Membership Corp.
Post Office Box 3198
Shallotte, N. C. 28459

Dear Mr. Price:

Subject: FCC INTERCONNECTION ORDER DATED 8/96

I am writing to you in regard to the FCC Interconnection order dated August 8, 1996. This act expressly prohibits all LECs (Local Exchange Carriers) from charging for NXX numbers, recurring charges for DID numbers and trunks used to deliver land to pager calls.

I have spoken with Mr. Krachmer at the FCC Tariff Division on several occasions in reference to Atlantic Telephone's refusal to voluntarily comply with the FCC Order 96-335, Common Carrier Docket 96-98 and 95-185 and the FCC's position is that this order applies to Atlantic Telephone and Atlantic Telephone is not exempt because it is a member-owned LEC. All LECs in our service area have voluntarily complied and refunded payments back to November 1, 1996 except Atlantic Telephone. The FCC has concluded that LECs must "provide telephone numbers to permit competing providers access to these numbers that is identical to the access numbers the LEC provides to itself". The FCC determined that the LEC's non-discriminatory access to number obligations apply to all CMRS service providers (Kanoy Communications).

Kanoy Communications hereby requests that Atlantic Telephone immediately revise its paging interconnection terms and rates charged Kanoy Communications in light of Section 252(a) of the telecommunications Act of 1996 ("the Telecom act") and the Federal Communications Commission's rules and orders. In particular, we expect Atlantic Telephone to cease and desist from billing Kanoy Communications for any local LEC/Landline base termination or transport charges and to refund in full ALL amounts paid to Atlantic Telephone by Kanoy Communications since November 1, 1996 (the date the order became effective) for DID numbers and trunks.

Your compliance within thirty days is necessary to prevent our filing a formal complaint under 47 U.S.C. 208 and 47 U.S.C. 209 with the Federal Communications Commission.

Sincerely,

David B. Kanoy III
David B. Kanoy, III

LUKAS, MCGOWAN, NACE & GUTIERREZ

CHARTERED

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WASHINGTON, D.C. 20036

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September 5, 1997

By Certified Mail, Return Receipt Requested

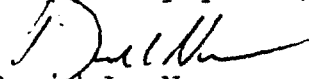
Mr. David B. Kanoy, III
Kanoy Communications
6895 Beach Drive, S.W.
Ocean Isle Beach, North Carolina 28469

Dear Mr. Kanoy:

Our client, Atlantic Telephone Membership Corporation ("Atlantic"), requested that we respond to your letter dated August 6, 1997, to Mr. Russell Price of Atlantic. Your letter referred to Section 252(a) of the Telecommunications Act of 1996 ("Telecom Act"), and requested that Atlantic change the terms under which facilities and services are provided by Atlantic to your company. Atlantic is prepared to commence "voluntary negotiations" with your company within the meaning of Section 252(a)(1) of the Telecom Act as of the date of Atlantic's receipt of your letter.

As you may know, the Federal Communications Commission ("FCC") in May 1997 established a pleading cycle on a request for clarification of the FCC's rules, filed by Southwestern Bell Telephone ("SWBT"). (Please see the enclosed copy of the FCC's Public Notice dated May 22, 1997.) The issues raised by SWBT and any clarification of the FCC's rules regarding interconnection arrangements between paging companies and local exchange carriers such as Atlantic are likely to provide guidance Atlantic considers necessary in any changes to the arrangements currently in place. Atlantic desires to reach an agreement with your company that is fully consistent with the Telecom Act and FCC rules, and will negotiate in good faith toward that end.

Very truly yours,


David L. Nace

cc: Russell Price